

**NIXON PEABODY LLP**

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March 26, 2002

FEDERAL EXPRESS

John R. Roberts, Esq.
County Attorney
Loudoun County
One Harrison Street
Leesburg, Virginia 22075

RE: Loudoun County, Virginia
Lease Revenue Bonds through the Industrial Development
Authority

Dear Jack:

This letter is to confirm our conversation earlier today concerning the possible issuance of lease revenue bonds by the Industrial Development Authority of Loudoun County to refinance the certificates of participation that financed the Loudoun County administrative office building. The specific question that we were asked was whether we would issue our bond counsel opinion on a lease revenue bond issue that did not go through a bondholders' validation suit. Our firm is comfortable with rendering our opinion on a bond issue that follows the procedures set forth in the Virginia Code without the parties undertaking a bondholders validation suit.

Please note that if a lawsuit is filed contesting the bond issue then we currently believe that the lawsuit will need to be dismissed prior to the issuance of the bonds (but once again, no bondholders' validation suit would be necessary). If such a lawsuit were filed, we would certainly look at the facts and circumstances of the particular lawsuit to determine if an opinion could be rendered in spite of it. However, we cannot commit to such an action in advance without seeing the specific facts and circumstances of any lawsuit.

W219551.1

NIXON PEABODY LLP


John R. Roberts, Esq.

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If you have any further questions please do not hesitate to contact me.

Sincerely,


Mary Jo Kelly

Enclosure

cc: M. E. Poole, Jr.
Paul N. Arnett



215-854-6036

March 22, 2002

Paul Arnett
Financial Services
One Harrison Street S.E.
4th Floor
Leesburg, VA 20175

Dear Paul:

This is in response to your request concerning whether we believe, as underwriter, a refunding of the 1994 Certificate of Participation issue would require a validation.

We have spent some time reviewing the structure of the 1994 deal and the circumstances surrounding the lawsuits regarding that deal. The circumstances as we see them are as follows:

- Supreme Court has ruled twice on the structure of the 1994 COPs, both times in favor of the County;
2. The Commonwealth of Virginia does not require a validation proceeding before the issuance of bonds or certificates; and
 3. We understand that bond counsel, or counsel to the County has reviewed this question and is willing to give the standard opinions required of counsel for the issuance of Bonds, namely that the Bonds are duly and legally issued, the Issuer had the authority to issue the refunding Certificates, and that the bonds as issued would be tax-exempt to the holders of such Bonds or Certificates.

Given this set of circumstances, and assuming that our understanding of the Supreme Court decisions are, in fact, correct, in that the decisions are in essence a validation of the structure and the ability of the Issuer to issue bonds in the form that the refunding bonds would take, we as underwriter would be willing to proceed without any validation proceeding for the refunding of the 1994 COPs.

I should point out that we have not independently hired a firm to review the Supreme Court decisions for us, nor have we completed the due diligence that is required of an underwriter as a condition of the issuance of Bonds or Certificates. Therefore, it should

be stated that upon such review, information might come to our attention, which could change the conclusion which I have stated above.

If you have any questions concerning of the foregoing, please do no hesitate to call. As always we stand ready to assist the County in any way in which we can be of help.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Kenneth L. Becker', with a long horizontal flourish extending to the right.

Kenneth L. Becker

KLB/tll